

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-265-E - ORDER NO. 98-465
JUNE 19, 1998

IN RE: Application of Carolina Power & Light) ORDER APPROVING
Company for Authority to Issue Securities) SECURITIES
Pursuant to Revolving Credit Agreement (5) APPLICATION
Year Revolving Credit Agreement).)

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Carolina Power & Light (CP&L or the Company) for authority to issue securities pursuant to a revolving credit agreement. This Application is filed pursuant to the requirements of S.C. Code Ann. Section 58-27-1710 (1976). The Company proposes to negotiate and enter into a 5-Year Revolving Credit Agreement (the 5-Year RCA) with Citibank, N.A. (Citibank) as agent for certain Lender banks in order to consolidate the Company's existing credit facilities, and to meet the Company's increased short-term capital needs arising in connection with the provision of electricity and related services to the Company's customers. The terms and conditions of the 5-Year RCA are set forth in the Commitment Letter and the Summary of Terms and Conditions, which are attached to the Application. The amount of the 5-Year RCA is \$375,000,000. The 5-Year RCA will have an initial term of 5 years, and can be renewed for additional one-year periods. Under the 5-Year RCA, the Company will have the option of two different interest rates per annum on any borrowings, as set forth in the material and Pricing Grid attached to the Application.

The Company estimates that it will incur expenses of approximately \$125,000 in connection with the negotiation and execution of the 5-Year RCA. Additionally, the Company will be charged a facility fee which can range from 10 basis points to 30 basis points based upon the ratings of the Company's First Mortgage Bonds by Standard & Poor's or Moody's as set forth in the material and Pricing Grid attached to the Application.

CP&L requests that the Commission authorize it to make minor modifications and amendments to the 5-Year RCA as the Company and the participating Lender banks deem necessary from time to time; provided, however, that in no event would the Company amend the 5-Year RCA to (i) increase the amount of the total commitment; (ii) increase the rate of interest; or (iii) increase the commitment fees to a level greater than 20 basis points above the levels reflected in the materials attached to the Application and the Pricing Grid attached thereto, without the prior approval of the Commission.

According to the Company, the purposes for which the proposed transaction is to be affected, as described:

- (i) Are for a lawful object within the corporate purposes of the Company;
- (ii) Are compatible with the public interest;
- (iii) Are necessary and appropriate for and consistent with the proper performance by the Company of its service to the public as a utility;
- (iv) Will not impair the Company's ability too perform its public service; and
- (v) Are reasonably necessary and appropriate to provide adequate funds for such corporate purposes.

We have considered the matters as stated above, and hold that the relief requested by the Company should be granted, and believe that the purposes for which the proposed transaction is to be affected are properly described in the preceding paragraph.

IT IS THEREFORE ORDERED THAT:

1. The Company is hereby authorized, empowered, and permitted to enter into the 5-Year RCA as described in the Application, to issue securities in the form of commercial paper and other short-term financing pursuant to the 5-Year RCA at such times as the Company desires to borrow funds pursuant to the 5-Year RCA, and to execute and carry out such instruments, documents and agreements as shall be necessary or appropriate in order to effectuate the transactions contemplated by the 5-Year RCA;
2. The terms and conditions of the 5-Year RCA are approved in substantially the form described in the Application;
3. The Company is hereby authorized, empowered, and permitted to make minor modifications and amendments to the 5-Year RCA as the Company and the participating Lender banks deem necessary from time to time; provided, however, that in no event shall the Company amend the 5-Year RCA to (i) increase the amount of the total commitment; (ii) increase the rate of interest; or (iii) increase the commitment fees to a level greater than 20 basis points above the levels reflected in Exhibit B to the Application and the Pricing Grid attached thereto, without the prior approval of this Commission;
4. This Order shall not in any way affect or limit the right, duty or jurisdiction of the Commission to further investigate and order revisions, modifications or changes

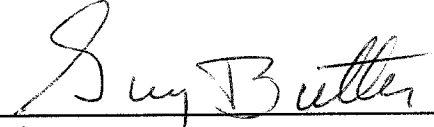
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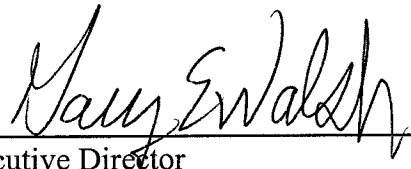
with respect to any provision of this Order in accordance with the law, nor shall this Order dictate the ratemaking treatment of this transaction by the Commission; and

5. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)